

# **SmartWay Transport Partnership**

**Managing your Transportation  
Footprint...**

**The SmartWay**

**The US Environmental Protection Agency**

**Buddy Polovick**

**Performance Track Web Seminar**

**February 9, 2006**

# Outline

- **Background**
- **Corporate Social Responsibility**
- **The SmartWay Transport Partnership**
- **Technologies**
- **Marketing**
- **Wrap Up**



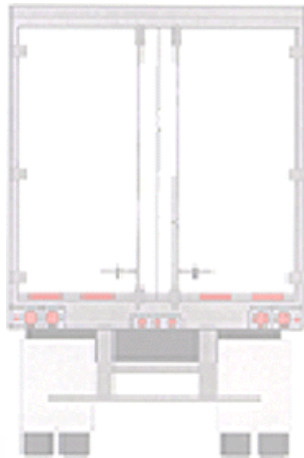
# Background

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- **Currently, truck and rail:**
  - Travel over 200 billion miles
  - Consume over 35 billion gallons of fuel
  - Account for nearly 20% of transportation related energy use
  - Produce approximately 350 million metric tons of CO<sub>2</sub>

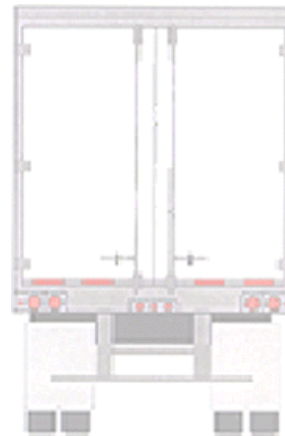
**2003**

**35 Billion Gallons**



**2012**

**45 Billion Gallons**



# Growing Concerns About Transportation & Climate Change

## US Oil Consumption



**Personal Vehicles 40%**

**Other Transportation 27%**

**Other Sectors 33%**

## US Carbon Emissions

*\*Includes all fuel sources*



**Other Sectors 68%**



**Other Transportation 13%**



**Personal Vehicles 19%**

**Transportation accounts for about 2/3 of oil consumption and about 1/3 of total CO2 emissions.**

# Transportation Greenhouse Gas Emissions Continue to Increase

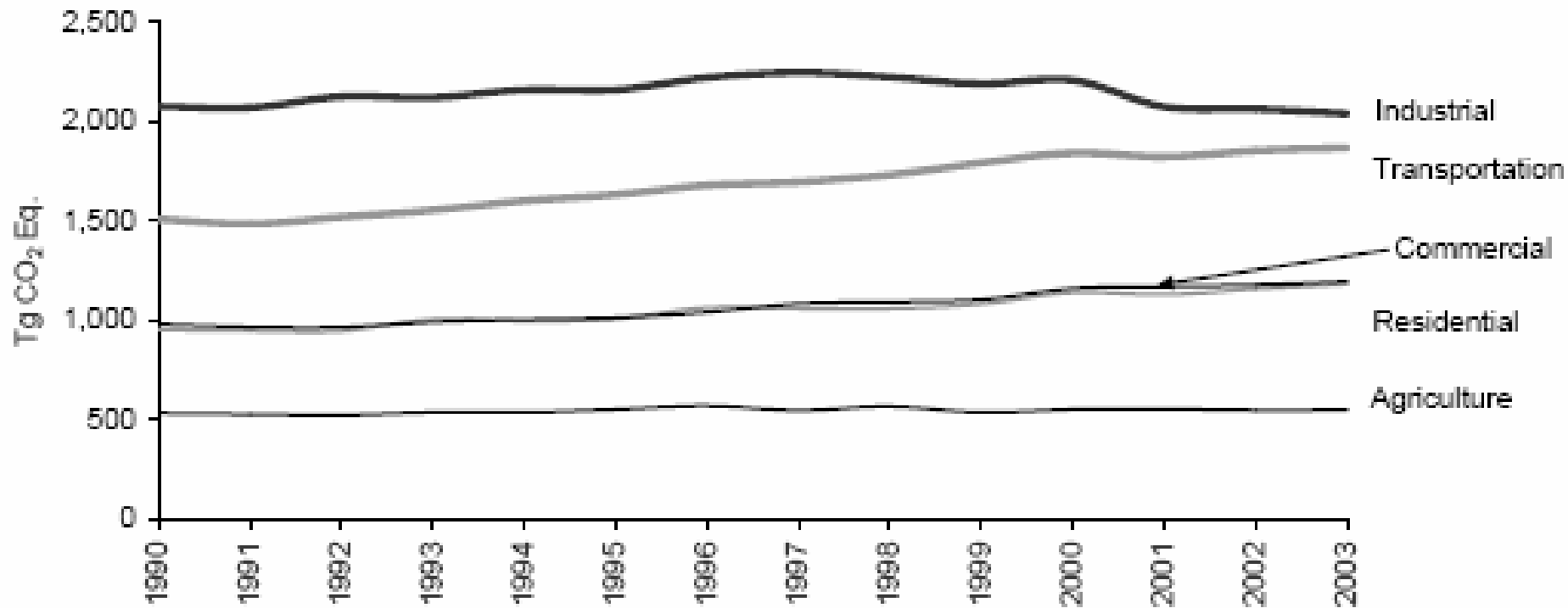


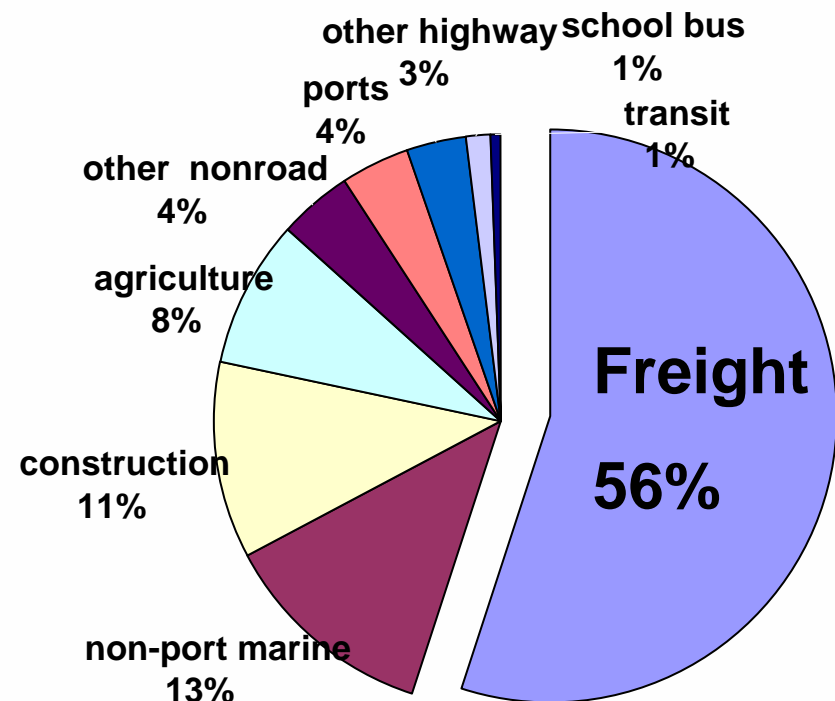
Figure 2-14: Emissions with Electricity Distributed to Economic Sectors

Source: US Emissions Inventory (April 2005)

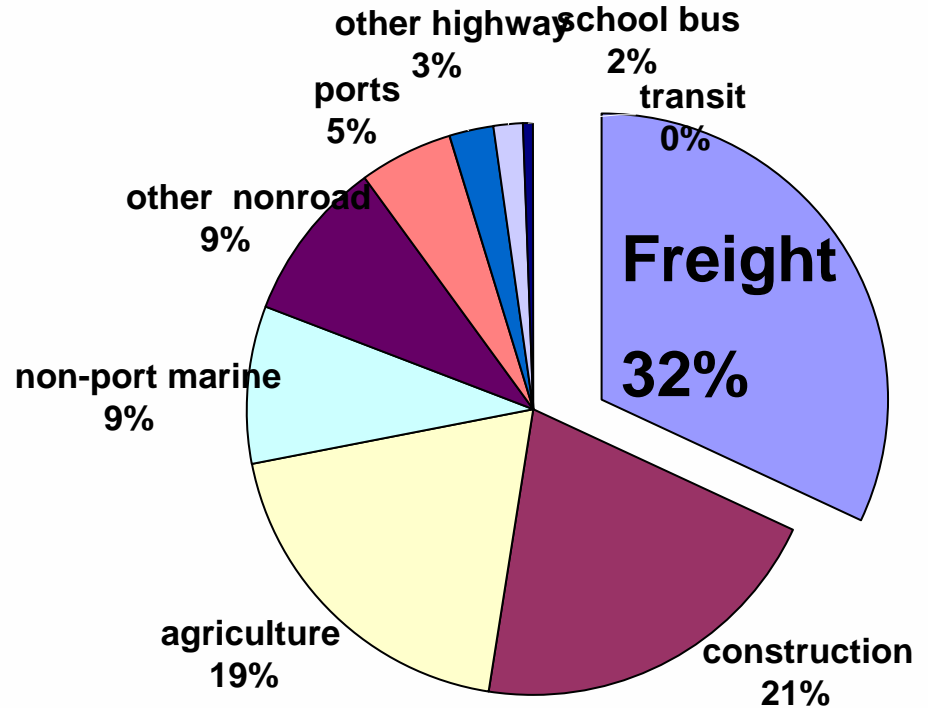
**EPA 430-R-05-003**

# Mobile Source Diesel Emissions Inventory by Sector (2004)

## **NO<sub>x</sub>** (6.3 million tons)

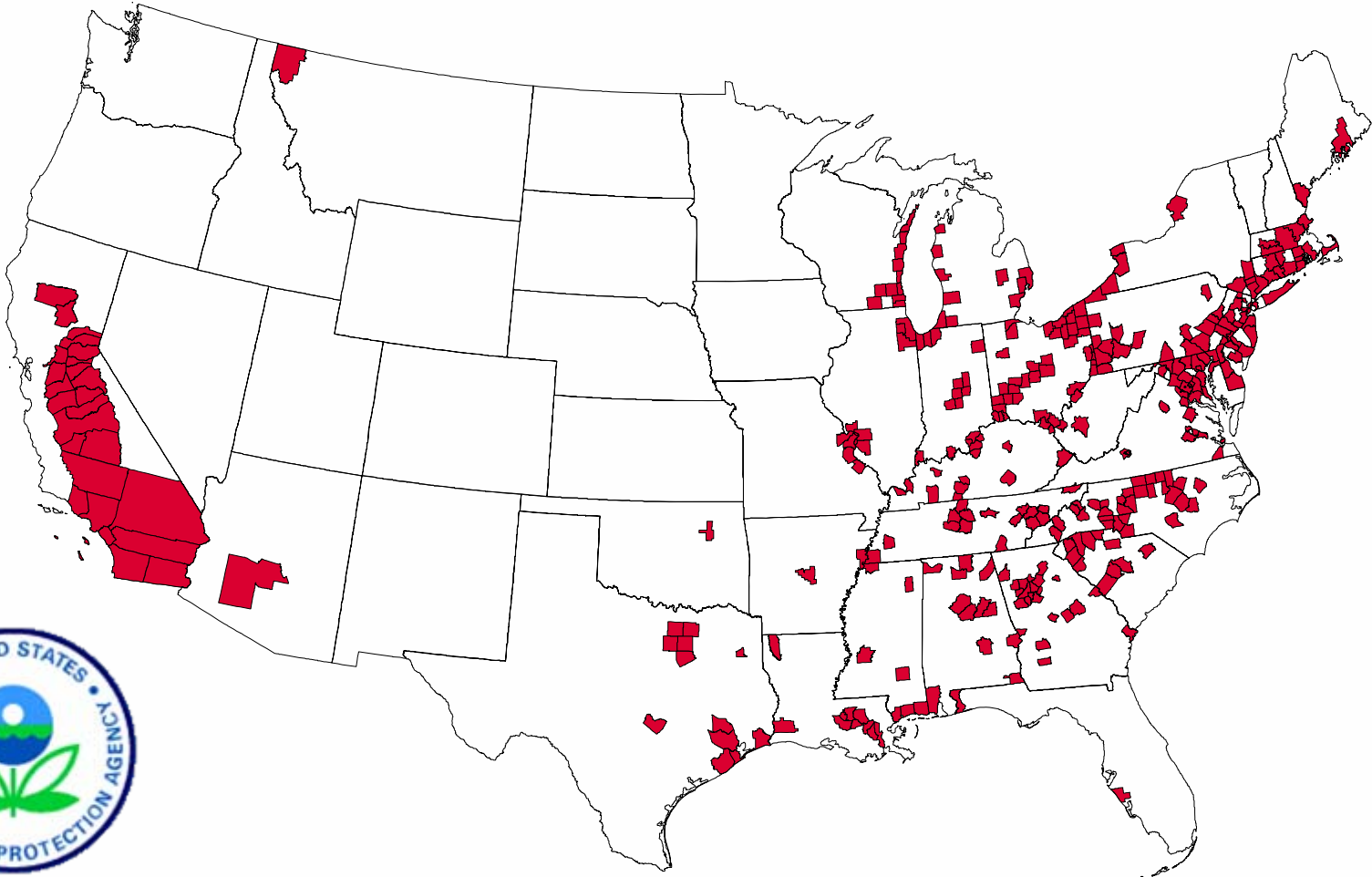


## **PM 2.5** (305,000 tons)



# Air Quality Impacts

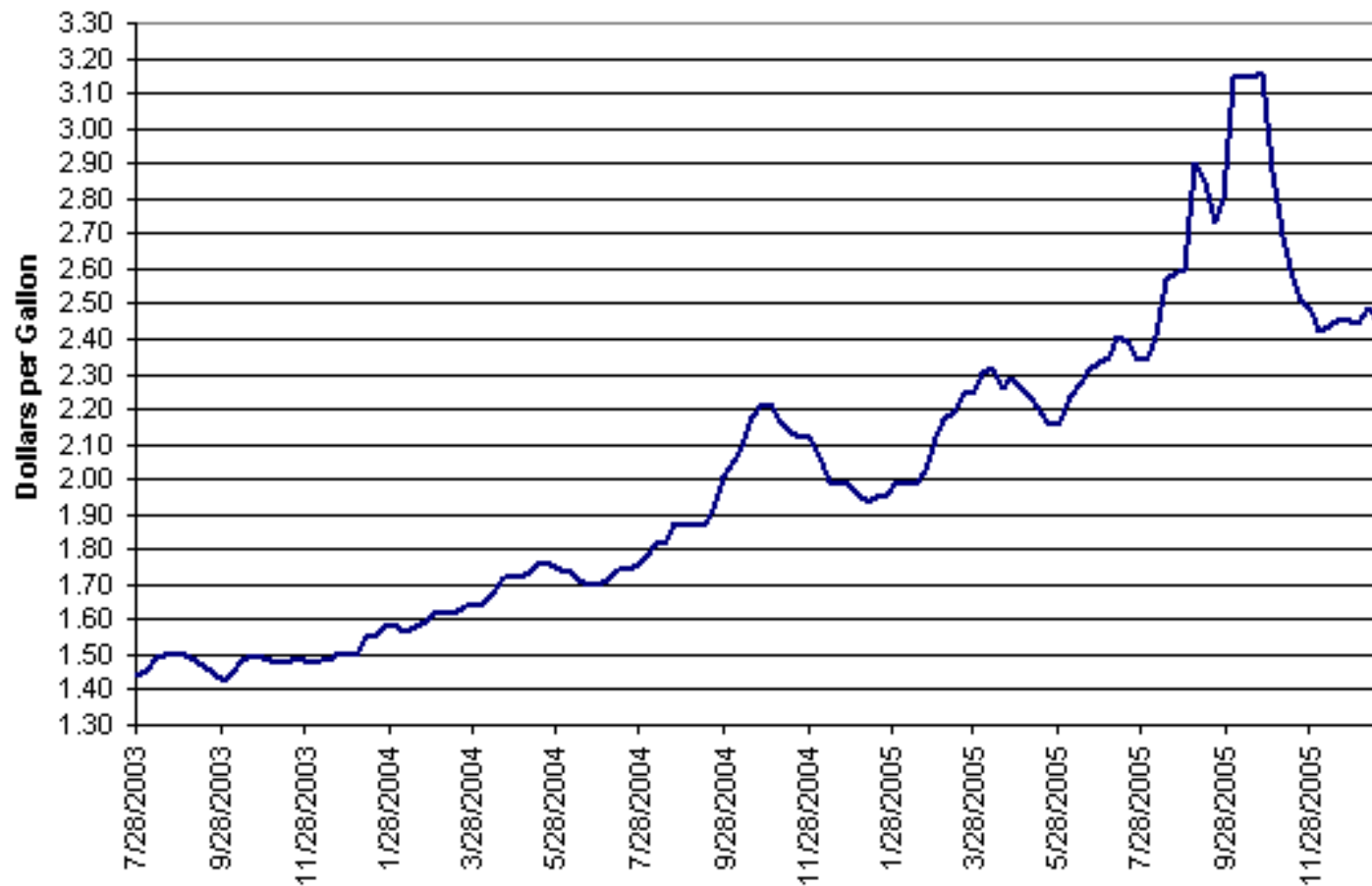
**Counties Currently Violating Fine Particle (PM<sub>2.5</sub>) and/or Ozone Standards (based on 1999-2001 data)**





# Fuel Trends

Weekly U.S Retail On-Highway Diesel Prices

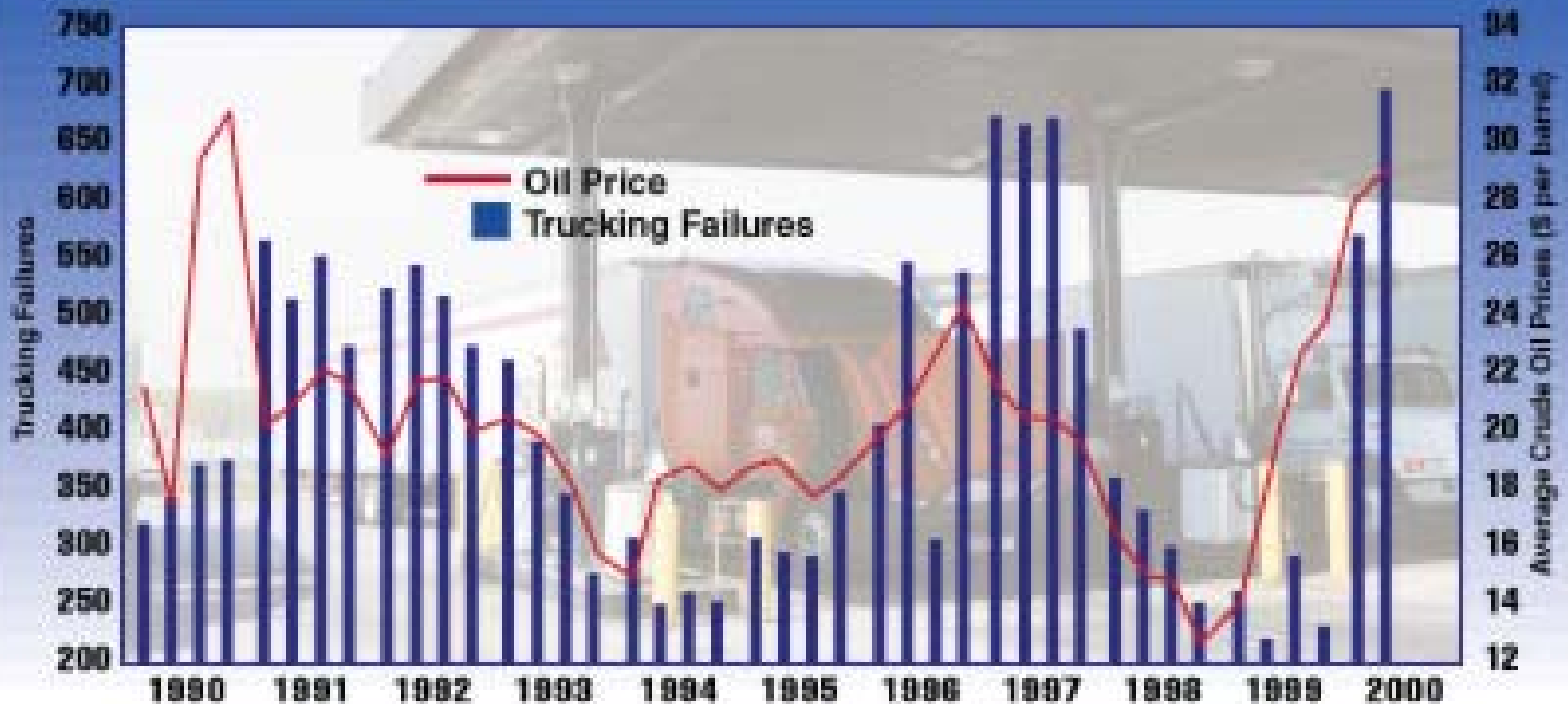


Source: Energy Information Administration

# Fuel Prices Impact on Industry

## TOTAL TRUCKING FAILURES vs. AVERAGE CRUDE OIL PRICES

Recent trucking company failures have shadowed the price of crude oil, but with a two- to three-quarter lag time.





**The good news is...**

**Business leaders  
respond to  
environmental,  
economic and societal  
needs.**

# Sustainability Reporting

- Corporate Social Responsibility reports now issued by over 2/3 of the Global 100.
- Dramatic increase in number of corporations publishing sustainability reports:
  - **1990: 7**
  - **1995: 194**
  - **2001: 487**
  - **2005: estimates of 2,000 to 3,000**
- Corporations doing CSR reporting need to quantify results and give success stories to back up their commitments.

# Growing Focus on Climate Change

- Shareholder Resolutions Increase:
  - 28 shareholder resolutions on climate change by 8/03
  - Up from six in 2001 and 21 in 2002
- New Investor Initiatives:
  - UN Investor Summit on Climate Risk (+\$1 trillion)
  - Carbon Disclosure Project (89 investors, +\$9 trillion)
  - CalPERS and CalSTRS 4-point plans (+\$250 billion)
- 2004 Carbon Disclosure Project Finding:
  - Weather-related natural disasters caused \$70 billion in damages in 2003. Climate change identified as key risk and greater financial costs are anticipated in the future.

# Investors Are Taking Note

**FIGURE 1:  
SUMMARY OF SOCIALLY RESPONSIBLE INVESTING IN THE U.S.**


*Socially responsible investing embraces three strategies:  
**screening, shareholder advocacy, and community investing.***

	<b>1997</b> (\$billions)	<b>1999</b> (\$billions)	<b>2001</b> (\$billions)	<b>2003</b> (\$billions)
Total Screening	\$529	\$1,497	\$2,010	\$2,143
Total Shareholder Advocacy	\$736	\$922	\$897	\$448
Both Screening and Shareholder *	(\$84)	(\$265)	(\$592)	(\$441)
Community Investing	\$4	\$5	\$7.6	\$14
Total	\$1,185	\$2,159	\$2,320	\$2,164

*\* Some social investment portfolios conduct both screening and shareholder advocacy. These assets are subtracted out of the total to avoid double counting.*

# Investors Are Looking For Results

- Investors desire corporate environmental performance information.
- Investors desire proven messages to motivate corporations.
- Investors desire action-steps to help corporations reduce climate change risk.
- Good energy and environmental performance is recognized by increasing numbers of investors as an excellent proxy for overall management quality.

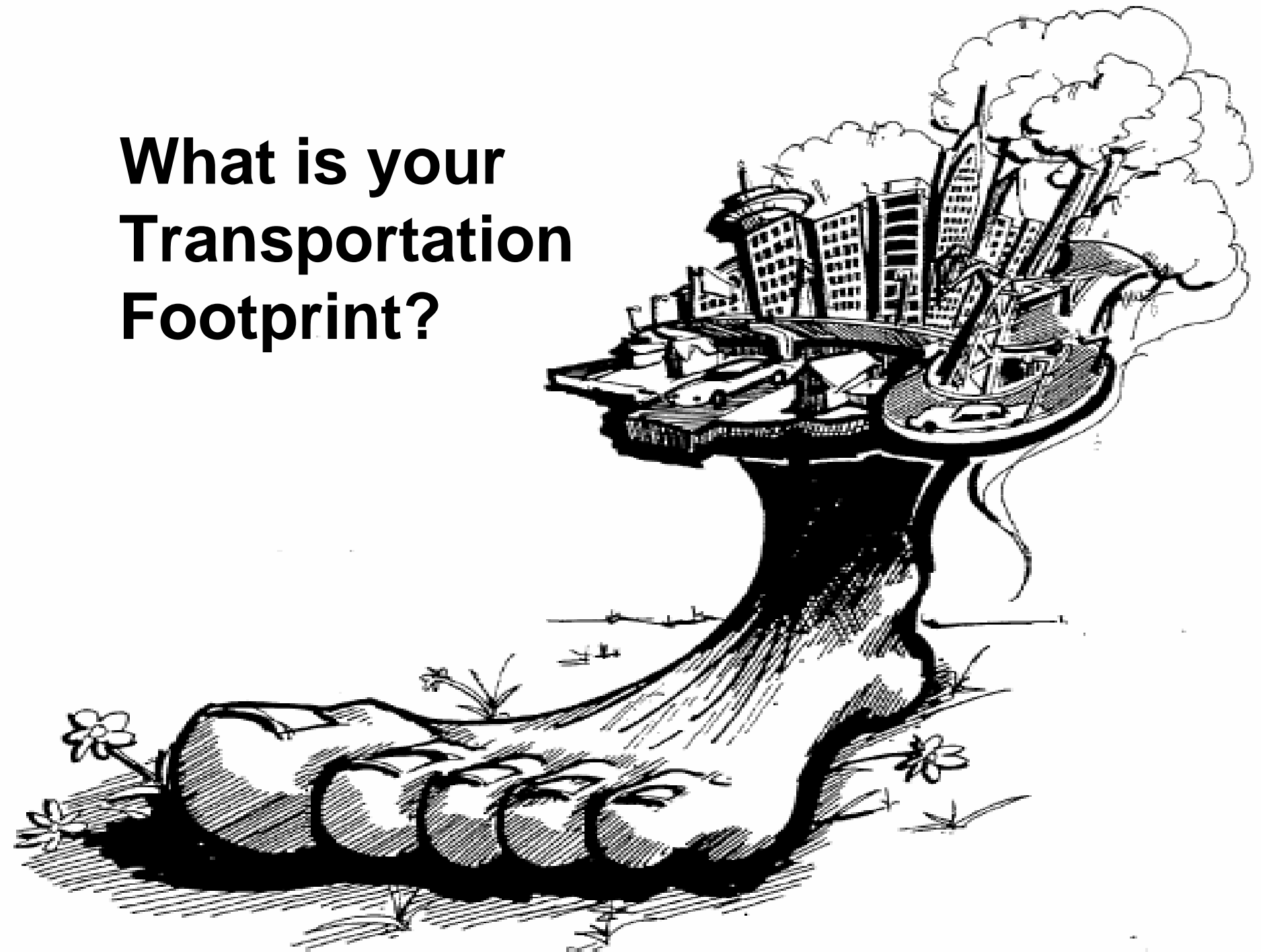


**So what can a corporate citizen do to make a difference?**

**Consider your freight transportation...**



**What is your  
Transportation  
Footprint?**





# The Partnership

# How did SmartWay Transport Partnership begin?

- **Freight carrier goals**

- Reduced fuel consumption
- Public recognition
- Better public image
- Better relationship with government

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- **Freight shipper goals**

- Better understanding and control of supply chain & transportation foot print
- New ways to promote corporate citizenship and sustainable business practices

# How did SmartWay Transport Partnership begin?

- **Freight carrier goals**

- Reduced fuel consumption
- Public recognition
- Better public image
- Better relationship with government



- **EPA goals**

- Reduced CO2 emissions
- Improve energy security
- Better relationship with the freight industry

- **Freight shipper goals**

- Better understanding and control of supply chain & transportation foot print
- New ways to promote corporate citizenship and sustainable business practices

# SmartWay Transport Partnership

- **Voluntary Partnership w/ground freight industry**
- **Opportunity for companies to enhance performance of freight operations & supply chains**
- **Emission Reduction Goals**
  - 150 million barrels of oil each year (12 million cars off the road)
  - 33-66 million metric tons CO<sub>2</sub> annually by 2012
  - 200,000 tons NOx annually, plus PM and air toxics reductions

# SmartWay Transport Partners





# **Technologies and Strategies**



# Truck Stop Electrification





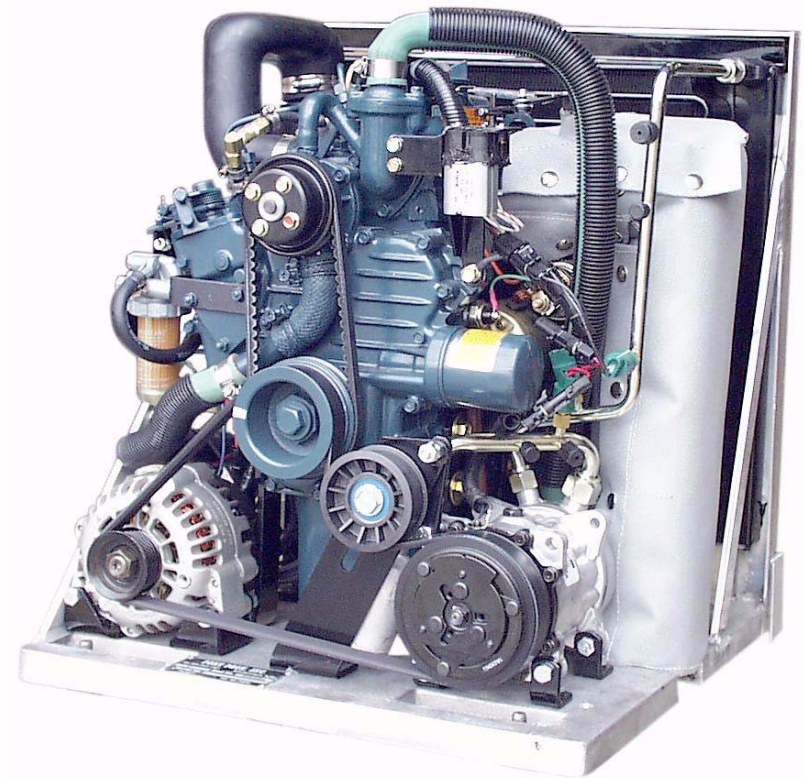
# Advanced Truck Stop Electrification



# Direct-Fired Bunk Heaters



# Auxiliary Power Units





# Single Wide Tires



# Trailer Aerodynamics

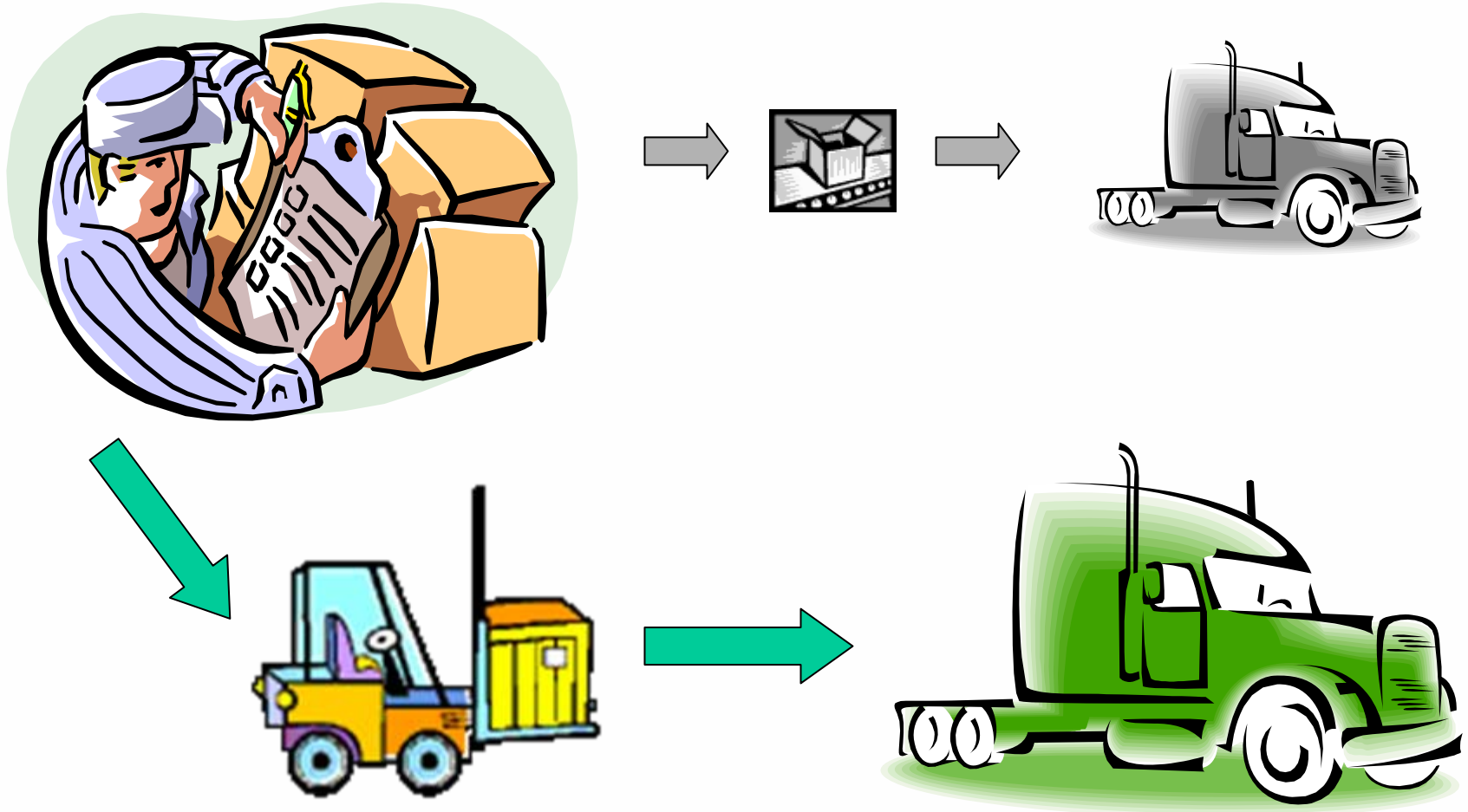




# Van Aerodynamics



# Shippers Ship more freight with SmartWay Transport Carriers





# Intermodal Shipping



# No-Idling Policies at Loading Facilities

## ATTENTION DRIVERS:

Overnite Transportation is a member of EPA's SmartWay Transport Partnership.

**Overnite Transportation  
has a  
NO IDLE POLICY**

Please turn off your engine  
while on site waiting to be loaded.



THANK YOU FOR  
HELPING US WORK TOWARDS A  
CLEANER ENVIRONMENT.

## ATTENTION DRIVERS:



IS A MEMBER OF THE  
EPA'S SMARTWAY TRANSPORT PARTNERSHIP

**GREEN MOUNTAIN COFFEE ROASTERS  
HAS A  
NO IDLE REDUCTION POLICY.**

PLEASE TURN OFF YOUR ENGINES  
WHILE ON SITE AWAITING  
TO BE LOADED/UNLOADED.



THANK YOU FOR  
HELPING US WORK TOWARDS A  
CLEANER ENVIRONMENT.





# **Marketing the Partnership**



# Advertising in numerous Trade Publications



# PSA Campaign

## SHIP SMARTER



**An environmentally appealing way to transport goods that's also deliciously profitable.**

SmartWay<sup>®</sup>Transport helps shippers and for-hire carriers lower greenhouse gases and other emissions, while at the same time giving the average truck a fuel savings of \$2,000 per year.

To find out more about this new partnership, call for your info kit at 1-734-214-4767 or log onto [www.epa.gov/smartway](http://www.epa.gov/smartway).



A new voluntary program from the U.S. Environmental Protection Agency

## CALCULATE YOUR SAVINGS TO THE ENVIRONMENT. TO YOUR BOTTOM LINE.



**For logistics managers, SmartWay<sup>®</sup> can add up to 7% in fuel savings.**

SmartWay<sup>®</sup>Transport helps shippers and for-hire carriers lower greenhouse gases and other emissions, while at the same time giving the average truck a fuel savings of \$2,000 per year.

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# Wrap Up



What are the Partners saying?

**“The very worst thing that'll happen to you is you'll save fuel, which means you'll make more money.”**

**-- Dave Berry, VP,  
Swift Transportation**



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